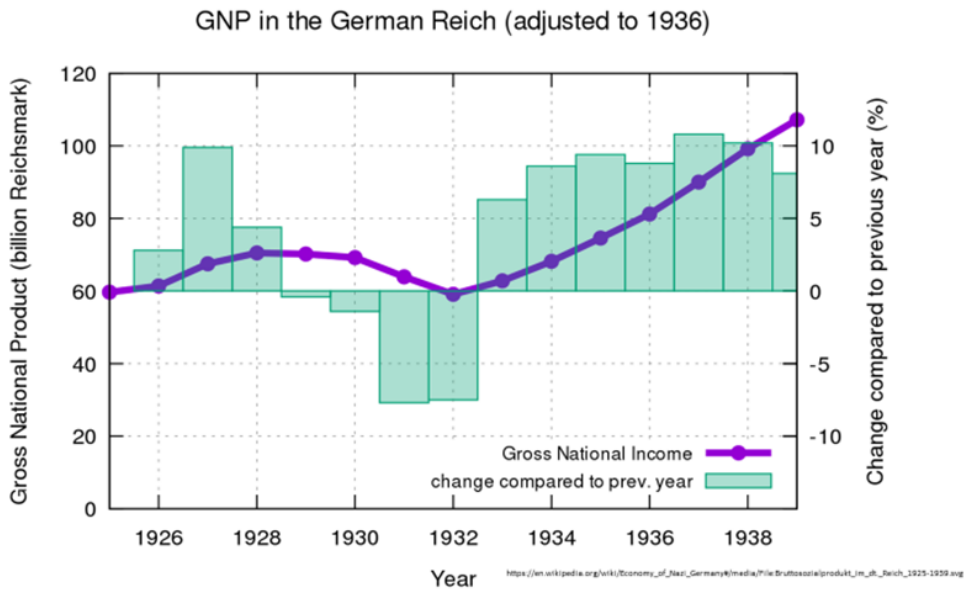
The Nazi – Germany Economy



From year 1928: 2,6 % to + 33 % of the votes

The depression of the early 1930s was a disaster for Germany. While unemployment was 1.4 million in 1928 it rose to 4.8 million in 1931. By 1932 it was 6 million. About one man in three was out of work. One effect of the depression was that the democratic parties lost support. Instead, people turned to radical parties like the communists or the Nazis who promised seemingly easy solutions to Germany's problems.

In 1928 the Nazis only gained 2.6% of the vote. By September 1930 they gained 18.3% of the vote. By 1932 they were the largest party in the Reichstag. (Although they never obtained a majority of the vote). However, in November 1932 votes for the Nazi party fell and the economic situation seemed to be getting better. Yet on January 30, 1933, President Hindenburg asked Hitler to become Chancellor and to lead a coalition government.

On 27 February the Reichstag burned down. A Dutchman called Marinus van der Lubbe was arrested and confessed to the crime. Hitler claimed that van der Lubbe did not act alone and that it was a communist plot. The next day President Hindenburg was persuaded to sign 'Presidential Decree for the Protection of the People and the State', which allowed arbitrary arrest. As a result, all the leading Communists were arrested.

The Night of the Long Knives

Hitler consolidated his grip on power with a purge called the Night of the Long Knives on 30 June 1934. The SA or brownshirts wanted to take over the army. The army was appalled by this idea and Hitler needed the army's support.

The SA had other enemies. In 1925 Hitler created the Schutzstaffel (protection squad) of SS as his bodyguard. Heinrich Himmler the head of the SS resented the fact that the SS was officially part of the SA.

He wanted the SS to be a separate organization. He also wanted more power for himself. Himmler told Hitler that the SA were planning to overthrow him. Hitler himself arrested Rohm the leader of the SA. The SS arrested other important figures in the SA and other prominent critics of the regime. All of them were shot.

The last election in Weimar Germany 5 March 1933

The last election in Weimar Germany was held on 5 March 1933. The Nazi's still failed to gain a majority of the vote. Then on 23 March 1933, Hitler persuaded the Reichstag to pass the enabling law. This would give Hitler the power to pass new laws without the consent of the Reichstag. The new law meant changing Germany's constitution and that would require votes by two-thirds of the Reichstag's members.
Some 80% of the Reichstag voted in favor of the law, only the Social Democrats voted against it.

Hitler wasted no time in introducing a tyrannical regime in Germany. After 1871 Germany was a federal state. It was made up of units called Lander, which had once been independent countries. A governor ruled each. However in April 1933 Hitler replace them with Reich governors, all of who were loyal Nazis. This helped to bring the country even more under Hitler's control.

In May Hitler banned trade unions. To replace them he created the Deutsche Arbeitsfront (German Labour Front) under Robert Ley. It set levels of pay and hours of work. The Social Democratic Party was banned in June 1933. Later that summer other parties dissolved themselves, under pressure from the Nazis. On 14 July 1933 Hitler banned all parties except the Nazi party.

German people voted for a criminal (Hitler) and got a even worse criminal

On 2 August 1934 President Hindenburg died. Hitler, the Chancellor took over the President's powers and called himself Fuhrer (leader). The army was made to swear an oath of loyalty to Hitler. (Previously they swore an oath of loyalty to Germany).

Furthermore any opponents of the regime (mostly communists and socialists) could be arrested and sent to a concentration camp without trial. (At first, although prisoners were beaten and tortured concentration camps were designed as prisons rather than extermination camps). Vagrants, beggars and the 'work-shy' were also sent to concentration camps.

Anti – Semitism i Nazi - Germany

Anti-Semitism

Hitler hated Jews. In April 1933 he ordered a boycott of Jewish shops. Also in 1933 a law called 'The Law for the Restoration of the Professional Civil Service' banned Jews from working in government jobs. Then in 1935 Hitler passed the Nuremberg laws. The Law for the Protection of German Blood and Honor made it illegal for Jews to marry 'Aryans' (people of Germanic descent) or even to have sexual intercourse with them. The Reich Citizenship Law stated that Jews could not be German citizens.

Worse was to come. On 7 November 1938 a Polish Jew called Herschel Grynszpan shot a German official called Ernst vom Rath at the German embassy in Paris. In response the Germans attacked Jews and Jewish property on 9 November 1938. Jewish homes and shops were attacked and so many windows were broken it was called Kristallnacht (crystal night). Thousands of Jews were sent to concentration camps. The Nazis also decided that the rest of the Jews must pay a fine of 1,000 million marks and they were not eligible for insurance payments.

The Nazis also detested Gypsies. In 1935 they were forbidden to marry 'Aryans'. From 1939 onward German Gypsies were deported to Poland. Later, like the Jews they were murdered in concentration camps.

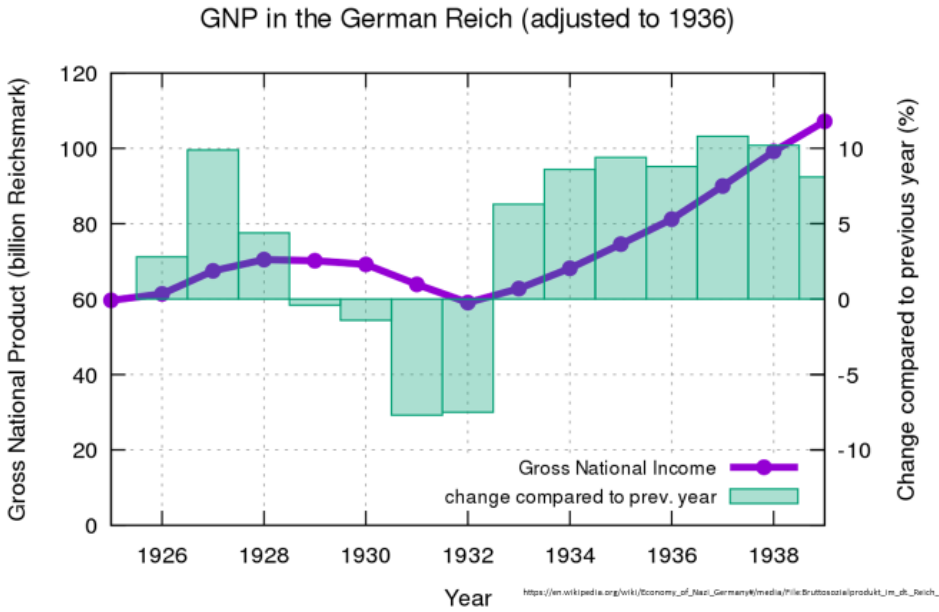
NAZI GERMANY MIRACLE

Germany's economy was in a mess when Hitler was elected Chancellor in January 1933. Hitler and Nazi propaganda had played on the population's fear of no hope. Unemployment peaked at 6 million during the final days of the Weimar Republic – near enough 33% of the nation's working population. Now Hitler decreed that all should work in Nazi Germany and he constantly played on the economic miracle Nazi Germany achieved.

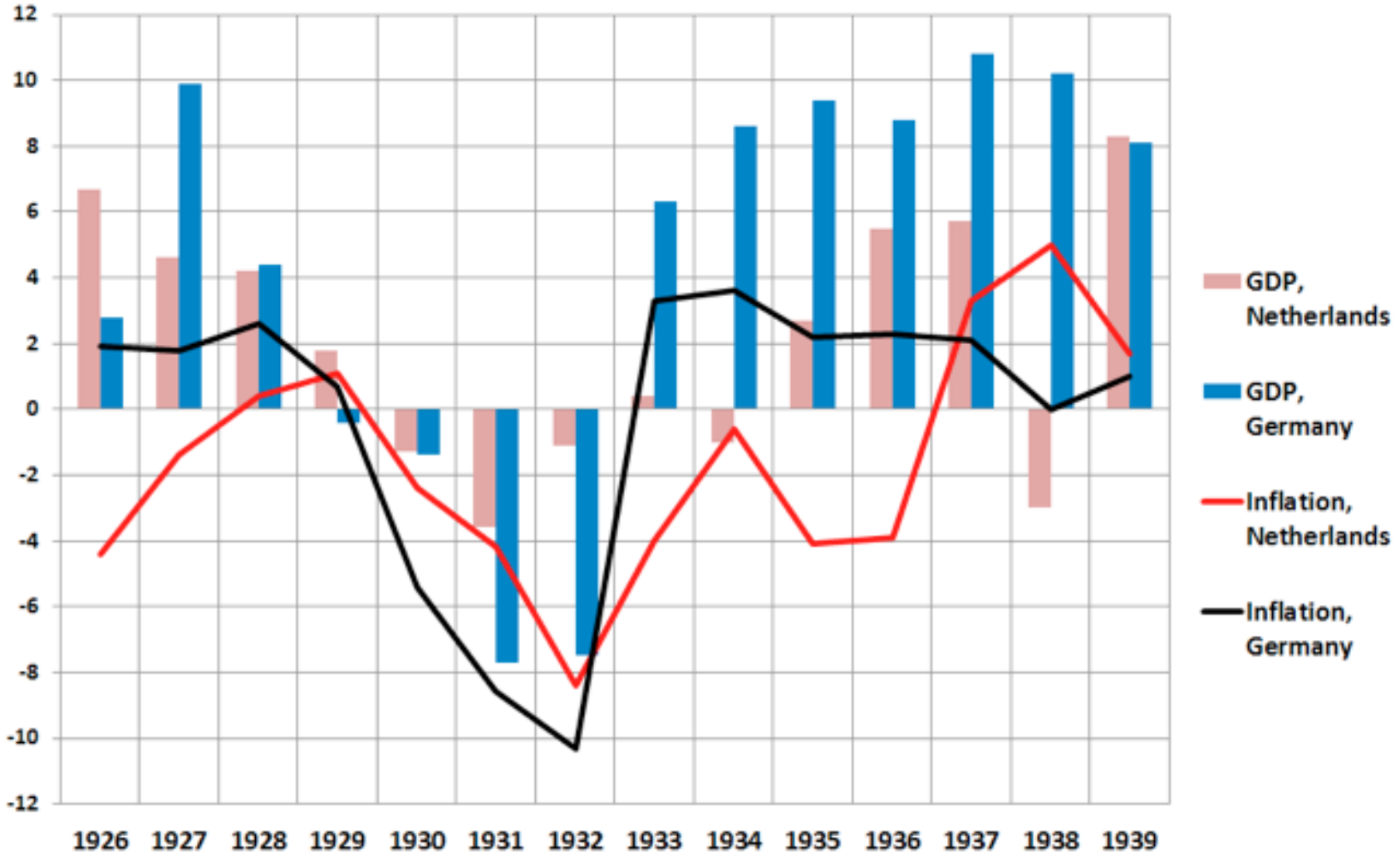
This "economic miracle" was based on unemployment all but disappearing by 1939.

Unemployment in Germany

Total	
January 1933	6 million
January 1934	3.3 million
January 1935	2.9 million
January 1936	2.5 million
January 1937	1.8 million
January 1938	1.0 million
January 1939	302,000



Nazi Germany GDP



Adolf Hitler reduced unemployment (- 95 %)

Adolf Hitler also abolished taxation on new cars. A great lover of cars himself, and influenced by the ideas of Henry Ford, Hitler wanted every family in Germany to own a car. He even became involved in designing the Volkswagen (The People's Car).

Hitler also encouraged the mass production of radios. In this case he was not only concerned with reducing unemployment but saw them as a means of supplying a steady stream of Nazi propaganda to the German people.

Youth unemployment was dealt with by the forming of the Voluntary Labour Service (VLS) and the Voluntary Youth Service (VYS), a scheme similar to the Civilian Conservation Corps introduced by Franklin D. Roosevelt in the United States. The VYS planted forests, repaired river banks and helped reclaim wasteland.

Adolf Hitler also reduced unemployment by introducing measures that would encourage women to leave the labour market. Women in certain professions such as doctors and civil servants were dismissed, while other married women were paid a lump sum of 1000 marks to stay at home.

Hitlers worker did not get improve in standard

By 1937 German unemployment had fallen from six million to 320 000. However, the standard of living for those in employment did not improve in the same way that it had done during the 1920s. With the **Nazis controlling the trade unions**, **wage-rates did not increase with productivity**, and after a few years of Hitler's rule **workers began to privately question his economic policies.**

The Reich Labour Service (Reichsarbeitsdienst; RAD)

The Reich Labour Service (Reichsarbeitsdienst; RAD) was a major organisation established in **Nazi Germany** as an agency to help mitigate the effects of unemployment on the German economy, militarise the workforce and indoctrinate it with Nazi ideology. It was the official state labour service, divided into separate sections for men and women.

From June 1935 onward, men aged between 18 and 25 may have served six months before their military service. During World War II compulsory service also included young women and the RAD developed to an auxiliary formation which provided support for the Wehrmacht armed forces.

Employees **200,000 (1935)**

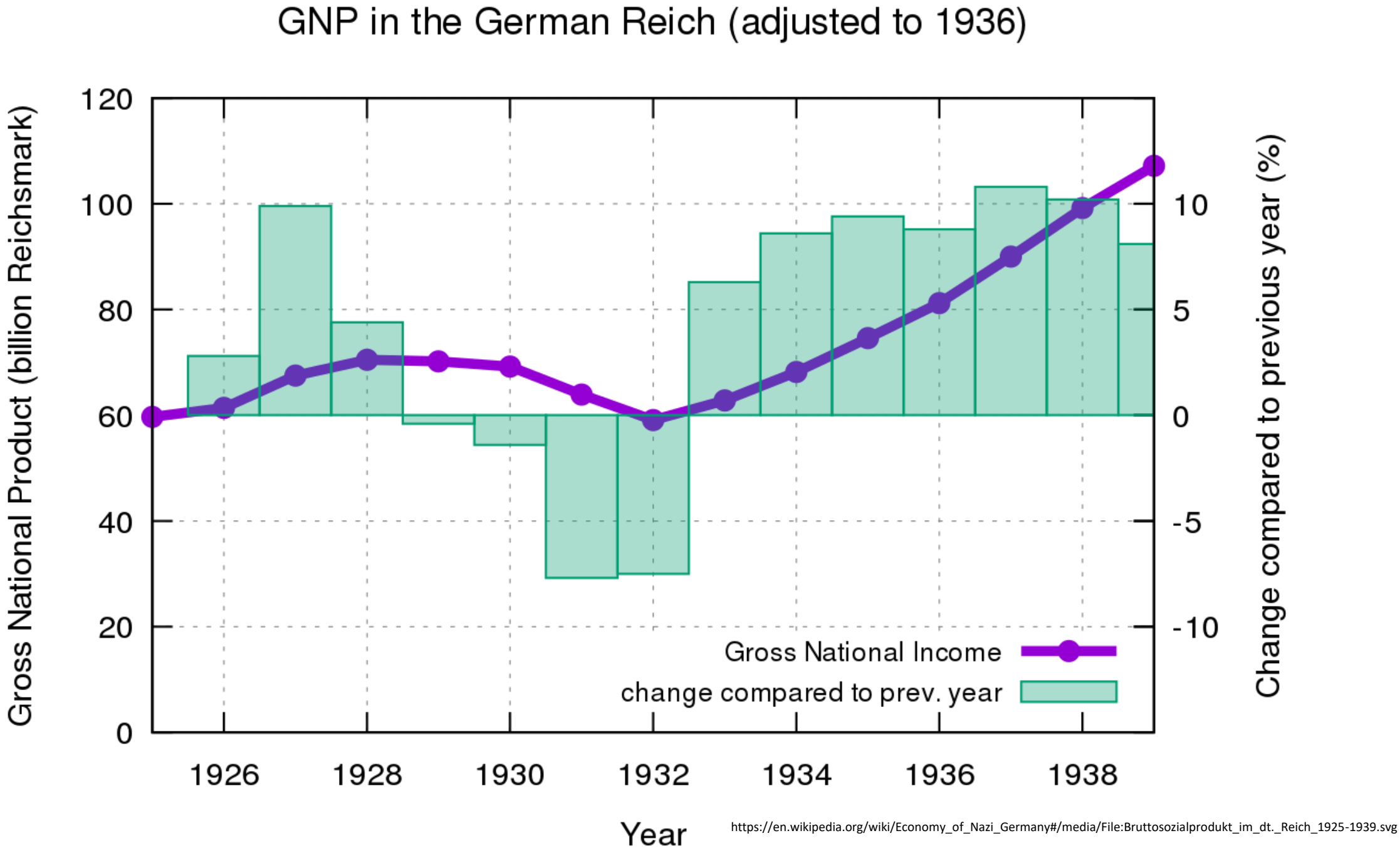
350,000 (October 1939)

Real GDP grew 1933 – 1937 in Germany + 55 %

Real GDP grew by some 55% between 1933 and 1937, and was impressive relative to the Netherlands, even if the recovery was not ahead of that of Great Britain and Denmark.

Furthermore, much of the additional output was spent on military equipment, thus, real aggregate private consumption increased by only 19% during that period of time

Moreover, it seems that the lower classes could not profit from the economic recovery, insofar as personal income inequality widened during the Third Reich Labour's share of the total national income decreased, even if compared with 1929, the last pre-crisis year (although during crises wage shares generally increase), in spite of a simultaneously substantial reduction of unemployment



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6 million to 320 000 unemployed

By 1932 over 30 per cent of the German workforce was unemployed. In the 1933 Election campaign, Adolf Hitler promised that if he gained power he would abolish unemployment. He was lucky in that the German economy was just beginning to recover when he came into office. However, the policies that Hitler introduced did help to reduce the number of people unemployed in Germany

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German workers were working 10 – 12 hours per day, 6 day/week

The year 1935 brought more concerted attacks on the rights of German workers. These measures were condoned and, in some cases, initiated by the DAF.

From February, each German employee was required to keep a workbook, listing his or her skills and previous occupations. If a worker quit their job then the employer was entitled to retain their workbook, which made obtaining a new job almost impossible. From June 1935, Nazi-run agencies took over the management of work assignments, deciding who was employed where. Wages were set by employers in collaboration with DAF officials; workers could no longer bargain or negotiate for higher wages.

The most telling reform was the removal of limitations on working hours. By the start of World War II (1939), many Germans were working between 10-12 hours per day, six days a week.

Mortality in Germany

Mortality and Morbidity

The crude death rate in Germany, as in Europe declined until 1932. However, 1932 marked a turning point: German death rates started to increase, whereas the European average continued to decrease. This was even the case relative to such neighbouring countries as the Netherlands and Denmark, with a low-mortality regime. Between 1932 and 1937 the German population lost 0.4 years of its life expectancy at age 1, while the French gained not less than 1.3 years, the Swedish gained 0.4 years, and the U.S. 0.5 years (calculated from Wagner;)

Table 1: Death rates in Germany and Europe (rates per 10,000 inhabitants), 1928-1939
Death Rates per 10,000 Inhabitants

Years	Germany	England & Wales	Netherlands	Denmark	Index Europe	Index Germany
1928	116	117	96	110	100	100
1929	126	134	107	112	105	109
1930	110	114	91	108	95	95
1931	112	123	96	114	99	97
1932	108	120	90	110	98	93
1933	112	123	88	106	93	97
1934	109	118	84	104	91	94
1935	118	117	87	111	93	102
1936	118	121	87	110	92	102
1937	117	124	88	108	92	101
1938	117	116	85	103	89	101